

GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE CHIEF FINANCIAL OFFICER

OFFICE OF TAX AND REVENUE



“TAX FREE DC”
SALES TAX HOLIDAY

The District of Columbia will offer a “Sales Tax Holiday” which will begin on Friday, November 26, 2004, and end at midnight on Sunday, December 5, 2004. The Sales Tax Holiday provides for an exemption from the 5.75% sales tax [holiday] for shoes, clothing, and accessory items, on each item costing \$100 or less, and purchased during the holiday period.

During this 10-day, 2-weekend break, District sales tax will not be charged if the items are priced at \$100 each or less. The items include clothing, footwear, and accessory items. The sales tax exemption will apply to each eligible item regardless of how many items are sold on the same bill to a customer. The exemption also applies to layaway sales if the retailer and customer enter into a layaway agreement during the exemption period or the customer makes final payment on the layaway order during the exemption period.

What is Considered “Clothing and Shoes?”	What is Considered “Accessory Items?”	The Exemption Does Not Apply To:
<p>“Clothing” means an article of apparel for humans, including: pants; shirts and blouses; dresses; coats and jackets; belts; hats; undergarments; multiple piece garments sold as a set, if \$100 or less.</p> <p>“Shoes” means all footwear except skis, swim fins, roller blades and roller-skates.</p>	<p>“Accessory Items” means jewelry, non-prescription eyeglasses, watches, watchbands, handbags, handkerchiefs, umbrellas, gloves, scarves, ties, headbands, hats, belts and belt buckles, and other traditional accessory items.</p>	<p>Exempt items normally sold as a unit with non-exempt items if the items are separated to qualify for the exemption; non-exempt items exchanged for exempt items; Items advertised as “buy one, get one free” or “buy one, get one for a reduced price” if one or both items are averaged to qualify for the exemption, items whose prices are reduced by a manufacturer’s coupon to qualify for the exemption; repairs and alterations; items for rent; items for rent.</p>